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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

ATHLETA, INC.,

Plaintiff,

v.

SPORTS GROUP DENMARK A/S,

Defendant.

Case No. 4:22-cv-03192-JST

**PLAINTIFF'S MEMORANDUM OF LAW
IN OPPOSITION TO DEFENDANT'S
MOTION TO DISMISS FOR LACK OF
PERSONAL JURISDICTION AND
FAILURE TO STATE A CLAIM**

Judge: Hon. Jon S. Tigar
Courtroom: Courtroom 6, 2nd Floor
Hearing: January 26, 2023
Time: 2:00 p.m.

TABLE OF CONTENTS

| | |
|---|-----|
| TABLE OF AUTHORITIES | iii |
| PRELIMINARY STATEMENT | 1 |
| ARGUMENT | 2 |
| I. Standard for Motion to Dismiss | 2 |
| II. The Court Has Personal Jurisdiction Over Defendant | 3 |
| A. Personal Jurisdiction Exists Under California’s Long-Arm Statute | 3 |
| i. First Prong: Defendant Purposefully Directed Activities to California | 4 |
| ii. Second Prong: Plaintiff’s Claims Arise from Defendant’s Conduct..... | 8 |
| B. Personal Jurisdiction Exists Under the Federal Long-Arm Statute..... | 8 |
| III. Plaintiff Has Stated a Claim for Trademark Infringement and Unfair Competition..... | 10 |
| IV. Plaintiff Has Stated a Claim for Unfair Competition Under California Law..... | 12 |
| V. The Court Should Permit Plaintiff to Conduct Jurisdictional Discovery | 12 |
| CONCLUSION | 14 |

TABLE OF AUTHORITIES

CASES

| | |
|---|---------------|
| <i>AirWair International Ltd. v. Schultz</i> , 73 F. Supp. 3d 1225 (N.D. Cal. 2014) | <i>passim</i> |
| <i>Ashcroft v. Iqbal</i> , 556 U.S. 662 (2009) | 2, 3 |
| <i>Ballard v. Savage</i> , 65 F.3d 1495 (9th Cir. 1995) | 2 |
| <i>Bell Atlantic Corp. v. Twombly</i> , 550 U.S. 544 (2007) | 2 |
| <i>Beverly Hills Fan Co. v. Royal Sovereign Corp.</i> , 21 F.3d 1558 (Fed. Cir. 1994) | 6 |
| <i>Calix Networks, Inc. v. Wi-Lan, Inc.</i> , 09-CV-6038 (CRB)(DMR), 2010 WL 3515759 (N.D. Cal. Sept. 8, 2010) | 12-13, 13 |
| <i>Chanel, Inc. v. Yang</i> , 12-CV-4428 (PJH), 2013 WL 5755217 (N.D. Cal. Oct. 21, 2013) | 6-7 |
| <i>CytoSport, Inc. v. Cytogenix Sports Laboratories, SRL</i> , 10-CV-0700 (WBS)(KJM), 2010 WL 5418883 (E.D. Cal. Dec. 23, 2010) | 10 |
| <i>Dole Food Co. v. Watts</i> , 303 F.3d 1104 (9th Cir. 2002) | 4 |
| <i>eMag Solutions, LLC v. Toda Kogyo Corp.</i> , 02-CV-1611 (PJH), 2006 WL 3783548 (N.D. Cal. Dec. 21, 2006) | 13 |
| <i>FOX Factory, Inc. v. SRAM, LLC</i> , 16-CV-0506 (WHO), 16-CV-3716 (WHO), 2017 WL 4551486 (N.D. Cal. Oct. 11, 2017) | 5 |
| <i>Genomics v. Song</i> , 21-CV-4507 (JST), 2022 WL 2204361 (N.D. Cal. Mar. 25, 2022) | 13 |
| <i>Hologram USA Inc. v. Arena3d Industrial Illusions LLC</i> , 14-CV-3072 (BRO)(AGRx), 2014 WL 12560619 (C.D. Cal. July 23, 2014) | 7 |
| <i>International Shoe Co. v. Washington</i> , 326 U.S. 310 (1945) | 3 |
| <i>Kellytoy Worldwide, Inc. v. Jay at Play International Hong Kong Ltd.</i> , 19-CV-7831 (AB)(MRW), 2019 WL 8064196 (C.D. Cal. Dec. 5, 2019) | 5 |
| <i>Laub v. United States Department of Interior</i> , 342 F.3d 1080 (9th Cir. 2003) | 12 |
| <i>Levi Strauss & Co. v. Toyo Enterprise Co.</i> , 665 F. Supp. 2d 1084 (N.D. Cal. 2009) | 5, 8 |

| | | |
|----|--|------|
| 1 | <i>LiveCareer, Ltd v. Su Jia Technologies Ltd.</i> , | |
| 2 | 14-CV-3336 (JST), 2014 WL 7187171 (N.D. Cal. Dec. 15, 2014) | 13 |
| 3 | <i>Mavrix Photo, Inc. v. Brand Technologies, Inc.</i> , | |
| 4 | 647 F.3d 1218 (9th Cir. 2011) | 2 |
| 5 | <i>Monolithic Power Systems, Inc. v. Silergy Corp.</i> , | |
| 6 | 10-CV-1533 (CAS)(AGRx), 2011 WL 2470457 (C.D. Cal. June 20, 2011) | 5 |
| 7 | <i>Monster Cable Products, Inc. v. EuroFlex S.R.L.</i> , | |
| 8 | 642 F. Supp. 2d 1001 (N.D. Cal. 2009) | 10 |
| 9 | <i>Natural Wellness Centers of America, Inc. v. Golden Health Products, Inc.</i> , | |
| 10 | 12-CV-5586 (CW), 2013 WL 245594 (N.D. Cal. Jan. 22, 2013) | 8 |
| 11 | <i>Payrovi v. LG Chem America, Inc.</i> , | |
| 12 | 491 F. Supp. 3d 597 (N.D. Cal. 2020) | 3 |
| 13 | <i>Pebble Beach Co. v. Caddy</i> , | |
| 14 | 453 F.3d 1151 (9th Cir. 2006) | 2, 9 |
| 15 | <i>Pinkerton Tobacco Co. v. Art Factory AB</i> , | |
| 16 | 20-CV-1322 (SB)(MRW), 2021 WL 541441 (C.D. Cal. Jan. 28, 2021) | 4-5 |
| 17 | <i>Resnick v. Hayes</i> , | |
| 18 | 213 F.3d 443 (9th Cir. 2000) | 3 |
| 19 | <i>Ross v. Abbott Vascular Inc.</i> , | |
| 20 | 19-CV-03794 (JST), 2020 WL 4934487 (N.D. Cal. Apr. 6, 2020) | 13 |
| 21 | <i>Salu, Inc. v. Original Skin Store</i> , | |
| 22 | 08-CV-1035 (FCD)(KJM), 2008 WL 3863434 (E.D. Cal. Aug. 13, 2008) | 7 |
| 23 | <i>Sher v. Johnson</i> , | |
| 24 | 911 F.2d 1357 (9th Cir. 1990) | 3 |
| 25 | <i>In re Silenus Wines, Inc.</i> , | |
| 26 | 557 F.2d 806 (C.C.P.A. 1977) | 11 |
| 27 | <i>Smith Enterprise, Inc. v. Capital City Firearms</i> , | |
| 28 | 07-CV-2163 (PHX)(EHC), 2008 WL 2561882 (D. Ariz. June 24, 2008) | 7 |
| | <i>St Andrews Links Ltd. v. Source & Design International (UK) LTD</i> , | |
| | 21-CV-6470 (JST), 2022 WL 11902199 (N.D. Cal. Oct. 20, 2022) | 7 |
| | <i>Starlight International, Ltd. v. Lifeguard Health, LLC</i> , | |
| | 08-CV-1894 (RS), 2008 WL 2899903 (N.D. Cal. July 22, 2008) | 7 |
| | <i>Steel v. United States</i> , | |
| | 813 F.2d 1545 (9th Cir. 1987) | 10 |
| | <i>ThermoLife International, LLC v. Compound Solutions, Inc.</i> , | |
| | 848 F. App'x 706 (9th Cir. 2021) | 12 |

Vanity.com, Inc. v. Vanity Shop of Grand Forks, Inc.,
12-CV-2912 (SI), 2012 WL 4755041 (N.D. Cal. Oct. 4, 2012) 7

VMR Products, LLC v. V2H ApS,
13-CV-7719 (CBM)(JEM), 2014 WL 12591932 (C.D. Cal. Aug. 4, 2014) 10

STATUTES

15 U.S.C. § 1127 11

15 U.S.C. § 1141f..... 1, 4

Cal. Code Civ. Proc. § 410.10..... 3

RULES

Fed. R. Civ. P. 4 3, 8

Fed R. Civ. P. 12*passim*

1 Plaintiff Athleta, Inc. (“Plaintiff”) submits this memorandum of law in opposition to
 2 Defendant Sports Group Denmark A/S’s (“Defendant”) motion to dismiss for lack of personal
 3 jurisdiction and failure to state a claim (ECF No. 28, the “Motion”).

4 **PRELIMINARY STATEMENT**

5 Plaintiff—a California-based company and owner of the well-known ATHLETA brand
 6 and mark—brings this trademark infringement lawsuit against Defendant based on its use of the
 7 trademark “ATHLECIA (and Design)” in connection with athletic apparel. A comparison of the
 8 parties’ respective marks as they appear on neck labels for athletic apparel is shown below:



14 (Complaint, ECF No. 1 ¶¶ 15, 32.) Despite its infringing products being sold directly to consumers
 15 in the United States (including California) by third-party retailers and despite Defendant having
 16 declared under penalty of perjury that it has an “intention to use” the ATHLECIA (and Design)
 17 mark in United States commerce in connection with its federal trademark application filed
 18 pursuant to Section 66(a) of the Lanham, 15 U.S.C. § 1141f(a), Defendant claims that it cannot be
 19 sued in the United States and has moved to dismiss the complaint for lack of personal jurisdiction.
 20 In addition, Defendant moves to dismiss for failure to state claim based on its argument that
 21 Plaintiff has not alleged “use in commerce” of the infringing ATHLECIA (and Design) trademark.
 22 Defendant’s Motion fails on both grounds.

23 With respect to personal jurisdiction, the Motion should be denied because the Court may
 24 exercise personal jurisdiction over Defendant pursuant to either California’s long-arm statute or
 25 the federal long-arm statute. Defendant sells its infringing products bearing the ATHLECIA (and
 26 Design) mark to third-party retailers who market, promote, and sell such products directly to
 27 consumers in the United States (including California). By using these distribution channels and
 28 placing its infringing products in a stream of commerce that foreseeably—and, indeed,

intentionally—reaches the United States, Defendant has availed itself of the privilege of doing business here and has established sufficient “minimum contacts” to be sued here. Moreover, Defendant has further contacts with the United States as a whole based on its pending trademark application to register the ATHLECIA (and Design) mark with the U.S. Patent and Trademark Office. With respect to failure to state a claim, the Motion should be denied because the sale of Defendant’s athletic apparel products bearing the ATHLECIA (and Design) mark directly into the United States satisfies the Lanham Act’s statutory definition of “use in commerce.”

Accordingly, the Motion should be denied in its entirety. In the alternative, Plaintiff seeks leave of the Court to conduct jurisdictional discovery to probe the claims made in the Motion.

ARGUMENT

I. Standard for Motion to Dismiss

For a motion to dismiss for lack of personal jurisdiction under Federal Rule of Civil Procedure 12(b)(2), while the plaintiff bears the burden of showing that the Court has personal jurisdiction over the defendant, “this demonstration requires that the plaintiff make only a prima facie showing of jurisdictional facts to withstand the motion to dismiss” and the Court must “resolve[] all disputed facts in favor of the plaintiff.” *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1154 (9th Cir. 2006) (citation and internal quotation marks omitted); *see also Ballard v. Savage*, 65 F.3d 1495, 1498 (9th Cir. 1995) (“When a district court acts on a defendant’s motion to dismiss under Rule 12(b)(2) without holding an evidentiary hearing, the plaintiff need make only a prima facie showing of jurisdictional facts to withstand the motion to dismiss.”). While the Court may consider evidence presented in affidavits in determining personal jurisdiction, “uncontroverted allegations in the complaint must be taken as true.” *Mavrix Photo, Inc. v. Brand Techs., Inc.*, 647 F.3d 1218, 1223 (9th Cir. 2011).

For a motion to dismiss under Federal Rule of Civil Procedure 12(b)(6), dismissal may only be granted where the plaintiff fails “to state a claim upon which relief can be granted.” Fed R. Civ. P. 12(b)(6). “To survive a motion to dismiss, a complaint must contain sufficient factual material, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A claim

1 is facially plausible “when the Plaintiff pleads factual content that allows the Court to draw the
 2 reasonable inference that the Defendant is liable for the misconduct alleged.” *Iqbal*, 556 U.S. at
 3 678. When considering a Rule 12(b)(6) motion, a court must “accept as true all allegations of
 4 material fact and must construe those facts in the light most favorable to the plaintiff.” *Resnick v.*
 5 *Hayes*, 213 F.3d 443, 447 (9th Cir. 2000).

6 **II. The Court Has Personal Jurisdiction Over Defendant**

7 Despite the Motion’s claims to the contrary, the Court may exercise personal jurisdiction
 8 over Defendant pursuant to either (1) California’s long-arm statute, Cal. Code Civ. Proc. § 410.10
 9 or (2) the federal long-arm statute, Fed. R. Civ. P. 4(k)(2).

10 **A. Personal Jurisdiction Exists Under California’s Long-Arm Statute**

11 “There are two limitations that restrict a court’s power to exercise personal jurisdiction
 12 over a nonresident defendant: the constitutional principles of due process and the applicable state
 13 personal jurisdiction rule.” *Payrovi v. LG Chem Am., Inc.*, 491 F. Supp. 3d 597, 602 (N.D. Cal.
 14 2020). California’s personal jurisdictional statute is “coextensive with the outer limits of due
 15 process,” meaning that personal jurisdictional inquiries under California law are constrained solely
 16 by federal constitutional principles. *Sher v. Johnson*, 911 F.2d 1357, 1361 (9th Cir. 1990); *see also*
 17 Cal. Code Civ. Proc. § 410.10.

18 The United States Supreme Court has held that a court may exercise personal jurisdiction
 19 over a non-resident defendant when the defendant has “minimum contacts” with the forum state
 20 such that jurisdiction “does not offend traditional notions of fair play and substantial justice.” *Int’l*
 21 *Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (citation and internal quotation marks omitted).
 22 For specific personal jurisdiction, “the Ninth Circuit has adopted a three-part test that requires the
 23 plaintiff to show: (1) the defendant purposefully directed its activities at residents of the forum or
 24 purposefully availed itself of the privilege of doing business in the forum; (2) that the plaintiff’s
 25 claim arises out of or relates to those activities; and (3) that the assertion of personal jurisdiction is
 26 reasonable and fair.” *AirWair Int’l Ltd. v. Schultz*, 73 F. Supp. 3d 1225, 1232 (N.D. Cal. 2014). “It
 27 is the plaintiff’s burden to plead allegations satisfying the first two prongs. If the plaintiff does so,
 28 the burden then shifts to the defendant to show why the exercise of personal jurisdiction would not

1 be reasonable and fair.” *Id.* Here, the first and second prong are satisfied, and Defendant has not
 2 made—and has therefore waived—arguments as to the third prong.

3 ***i. First Prong: Defendant Purposefully Directed Activities to California***

4 To establish purposeful direction, a plaintiff must satisfy a three-part test: (1) the defendant
 5 must have committed an intentional act; (2) the defendant’s act must have been expressly aimed at
 6 the forum state; and (3) the defendant must have known the brunt of the harm was likely to be
 7 suffered in the forum state. *See Dole Food Co. v. Watts*, 303 F.3d 1104, 1111 (9th Cir. 2002).

8 Defendant argues that the facts asserted in the Declaration of Rasmus Hauge (ECF No. 28-
 9 2, the “Hauge Declaration”) establish that Defendant did not commit any intentional act expressly
 10 aimed at California. (ECF No. 28 at 7-9.) However, the Hauge Declaration is equally important for
 11 what it *fails* to state. Nowhere in the Hauge Declaration does Mr. Hauge—Defendant’s Chief
 12 Financial Officer—assert that Defendant has no intentions or business plans to begin offering
 13 goods and services under the ATHLECIA (and Design) mark in the United States. Nor could Mr.
 14 Hauge make such a statement given that Defendant filed a trademark application in the U.S. Patent
 15 and Trademark Office (“USPTO”) pursuant to Section 66(a) of the Lanham Act to register the
 16 infringing mark and declared under penalty of perjury that it, as of the date the Complaint was
 17 filed, had a *bona fide* intention to use the mark in United States commerce. (ECF No. 1 ¶ 35); *see*
 18 *also* 15 U.S.C. § 1141f(a) (“A request for extension of protection of an international registration to
 19 the United States . . . shall be deemed to be properly filed in the United States if such request . . .
 20 has attached to it a declaration of bona fide intention to use the mark in commerce that is verified
 21 by the applicant for, or holder of, the international registration.”). Indeed, based on the contents (or
 22 lack thereof) of the Hauge Declaration, the Court must accept as true Plaintiff’s allegation in the
 23 complaint that “Defendant *intends* to begin offering its goods and services under the Infringing
 24 Mark directly to consumers within the United States.” (ECF No. 1 ¶ 34.)

25 In addition, a “stream of commerce” theory adequately supports the exercise of jurisdiction
 26 here. Under this theory, California courts exercise jurisdiction over foreign defendants in
 27 trademark infringement actions “where the defendant employs an established distribution channel
 28 that ends in California.” *Pinkerton Tobacco Co. v. Art Factory AB*, 20-CV-1322 (SB)(MRW),

2021 WL 541441, at *2 (C.D. Cal. Jan. 28, 2021); *Monolithic Power Sys., Inc. v. Silergy Corp.*, 10-CV-1533 (CAS)(AGRx), 2011 WL 2470457, at *5 (C.D. Cal. June 20, 2011) (finding personal jurisdiction over foreign corporation when evidence demonstrated defendant “could reasonably foresee that its component parts would end up in California”). Indeed, courts have exercised personal jurisdiction based on a stream of commerce theory in cases where the foreign defendant sends its products through a distribution channel in which the goods are ultimately sold to California consumers. *See, e.g., FOX Factory, Inc. v. SRAM, LLC*, 16-CV-0506 (WHO), 16-CV-3716 (WHO), 2017 WL 4551486, at *5 (N.D. Cal. Oct. 11, 2017) (finding personal jurisdiction where the foreign defendant “manufacture[d] the accused products in Taiwan and . . . eventually sold [them] to California consumers at dozens of retail locations”).

The fact that Defendant’s websites purportedly do not accept orders to be shipped to the United States (ECF No. 28-2 ¶ 22) is not dispositive because Defendant employs trade channels for its infringing apparel and clothing accessory products that lead to such goods being sold in California. For example, Mr. Hauge admits that Defendant’s infringing products are sold on Amazon. (ECF No. 28-2 ¶ 23.) Moreover, Defendant distributes its infringing products to third parties (including *The GAA Store / McKeever Sports* and *Sport Conrad*) that directly target the United States and have consummated sales with consumers in California. (*See* ECF No. 1 ¶ 33; ECF No. 1-1 at 64-76.) Indeed, the website for *The GAA Store / McKeever Sports* displays an American flag and notes that its orders feature “fully trackable shipping to United States with DHL Express.” (ECF No. 1-1 at 64.) Because Defendant knew that Plaintiff is a California-based company and intentionally sold its infringing products to third parties who target American consumers and, in turn, sell such products to consumers in the United States (including in California), Defendant has intentionally targeted California via an actionable stream of commerce. *See Kellytoy Worldwide, Inc. v. Jay at Play Int’l H.K. Ltd.*, 19-CV-7831 (AB)(MRW), 2019 WL 8064196, at *4 (C.D. Cal. Dec. 5, 2019) (“[E]xpress aiming is generally satisfied when the plaintiff alleges that the defendant, knowing that the plaintiff is a resident of the forum state, engages in wrongful conduct targeted at the plaintiff.”); *Levi Strauss & Co. v. Toyo Enter. Co.*, 665 F. Supp. 2d 1084, 1094 (N.D. Cal. 2009) (finding that “Plaintiff has sufficiently shown that

Defendants purposefully directed their conduct at California” where plaintiff argued that “because its principal place of business is in San Francisco and because it advertises and sells trademarked LEVIS® products in California—facts which Defendants, as competitors in the jeans market were aware of—Defendants’ infringing conduct was directly aimed at California”); *see also Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1558, 1560, 1564-66 (Fed. Cir. 1994) (reversing dismissal for lack of personal jurisdiction over foreign infringer because it placed the accused products in the stream of commerce through indirect shipment, knew the likely destination of the products, and should have anticipated being brought into court there, even though it was incorporated in and manufactured the accused products solely in Asia; had no assets, employees, agent for service of process in the forum; and lacked a license to do business in the forum).

Defendant asserts that “[a] plaintiff cannot manufacture personal jurisdiction in a trademark case by purchasing the accused product in the forum state” and that a “single sale is still insufficient to satisfy the express aiming prong.” (ECF No. 28 at 4, 8.) As an initial matter, Plaintiff does not assert in the complaint that there only has been a “single sale” of Defendant’s infringing products into California. Nor does the Hauge Declaration contain any statement that there only has been one such sale. Rather, Plaintiff asserts that “Defendant’s products sold under the Infringing Marks can be purchased and shipped to California consumers and have in fact been purchased by agents of Plaintiff into this District.” (ECF No. 1 ¶ 33.) Plaintiff has not attempted to “manufacture” personal jurisdiction at all—the sale into California by Plaintiff’s agent is merely evidence that consumers from California easily can purchase Defendant’s infringing products on the internet and have those products shipped to California. Indeed, because Defendant places its infringing products into a stream of commerce that culminates in the California—as noted above, the third-party websites target consumers in the United States—it is highly likely that there are *many* sales of Defendant’s infringing products into California. Without jurisdictional discovery, Plaintiff cannot know the exact number of sales of Defendant’s infringing products that have been sold through third parties to California consumers.

In addition to the foregoing, Defendant also is incorrect as that a single sale is insufficient to establish jurisdiction in California. In *Chanel, Inc. v. Yang*, the Court found that “[p]laintiff’s

investigator purchased a counterfeit Chanel-branded handbag from one of the subject domain names . . . and received the handbag in San Francisco, California” and that “[s]uch commercial activity in the forum amounts to purposeful availment of the privilege of conducting activities within the forum.” 12-CV-4428 (PJH), 2013 WL 5755217, at *7 (N.D. Cal. Oct. 21, 2013).

Moreover, while some cases have found that “a single sale in the forum state [] is insufficient to satisfy the ‘fairly high’ standard for establishing *general* personal jurisdiction,” *see, e.g., Hologram USA Inc. v. Arena3d Indus. Illusions LLC*, 14-CV-3072 (BRO)(AGRx), 2014 WL 12560619, at *4 (C.D. Cal. July 23, 2014) (emphasis added), many cases have found that a small number of sales from an online website is sufficient to confer *specific* jurisdiction. *See, e.g., Vanity.com, Inc. v. Vanity Shop of Grand Forks, Inc.*, 12-CV-2912 (SI), 2012 WL 4755041, at *3 (N.D. Cal. Oct. 4, 2012) (finding specific jurisdiction where defendant’s online sales to forum state made up “approximately 0.02% of [] total sales”); *Smith Enter., Inc. v. Cap. City Firearms*, 07-CV-2163 (PHX)(EHC), 2008 WL 2561882, at *5 (D. Ariz. June 24, 2008) (finding purposeful direction where “Defendant maintained an interactive website and consummated over 100 sales” with residents of the forum state that were “2.75% of Defendant’s total revenues”); *Salu, Inc. v. Original Skin Store*, 08-CV-1035 (FCD)(KJM), 2008 WL 3863434, at *5 (E.D. Cal. Aug. 13, 2008) (“[Defendant’s] sales to California customers . . . constituted approximately 14% of its total business. As such, defendant intentionally engaged in commercial transactions with California residents.”); *Starlight Int’l, Ltd. v. Lifeguard Health, LLC*, 08-CV-1894 (RS), 2008 WL 2899903, at *2 (N.D. Cal. July 22, 2008) (“0.24% of sales”). Finally, in *St. Andrews Links*, the plaintiff was a “United Kingdom entity with its principal place of business in Scotland.” *St Andrews Links Ltd. v. Source & Design Int’l (UK) LTD*, 21-CV-6470 (JST), 2022 WL 11902199, at *1 (N.D. Cal. Oct. 20, 2022). Conversely, Plaintiff is a California-based company and suffers damage as a result of Defendant’s infringement here in California, a fact that was not present in *St. Andrews*.

Based on the foregoing, the first prong of the specific jurisdiction test is satisfied because Defendant purposefully directed its activities toward the forum state by placing its infringing goods in a stream of commerce that culminates in California.

1 ***ii. Second Prong: Plaintiff's Claims Arise from Defendant's Conduct***

2 The second prong—which requires that the plaintiff's claim arises out of or relates to the
3 defendant's conduct—is easily satisfied as well. “To determine whether the plaintiff's claims arise
4 from the defendant's forum-related activities—the second prong of the specific jurisdiction test—
5 courts use a traditional ‘but for’ causation analysis.” *Nat. Wellness Ctrs. of Am., Inc. v. Golden*
6 *Health Prods., Inc.*, 12-CV-5586 (CW), 2013 WL 245594, at *5 (N.D. Cal. Jan. 22, 2013). The
7 Ninth Circuit has recognized that, in trademark infringement actions, if the defendant's infringing
8 conduct harms the plaintiff in the forum state, this element is satisfied. *See id.* (“Here, Plaintiff
9 alleges that Defendants' alleged infringement led to sales in California that ultimately harmed
10 Plaintiff's business there. This allegation satisfies the second element of specific jurisdiction.”).

11 Here, Plaintiff has alleged that it is a California-based corporation (ECF No. 1 ¶ 7) and that
12 Defendant's offering of identical goods and services under its ATHLECIA (and Design) mark to
13 consumers in the United States (including in California) “is causing irreparable injury to Plaintiff's
14 goodwill and reputation” (ECF No. 1 ¶ 49). Accordingly, the second prong of the specific
15 jurisdiction test is satisfied. *See AirWair Int'l*, 73 F. Supp. 3d at 1238 (finding second prong
16 satisfied where plaintiff “pled that [defendant's] alleged infringement has damaged [plaintiff's]
17 ‘business, reputation, and goodwill,’ caused [plaintiff] to suffer ‘the loss of sales and profits,’ and
18 diluted [plaintiff's] trademark.”); *Levi Strauss & Co.*, 665 F. Supp. 2d at 1094 (second prong
19 satisfied where plaintiff pled facts showing that “absent Defendants' sale of infringing garments in
20 California, its claims would not have arisen.”).

21 **B. Personal Jurisdiction Exists Under the Federal Long-Arm Statute**

22 If the Court does not exercise personal jurisdiction over Defendant pursuant to California's
23 long-arm statute, the federal long-arm statute provides an alternative means to do so. Under
24 Federal Rule of Civil Procedure 4(k)(2), a federal court may exercise jurisdiction over a defendant
25 in a federal question case when the defendant has the requisite minimum contacts with the United
26 States as a whole but would not be subject to the personal jurisdiction of any particular state. *See*
27 *Fed. R. Civ. P. 4(k)(2)*. In the Ninth Circuit, “[t]he exercise of Rule 4(k)(2) as a federal long-arm
28 statute requires the plaintiff to prove three factors. First, the claim against the defendant must arise

1 under federal law. Second, the defendant must not be subject to the personal jurisdiction of any
 2 state court of general jurisdiction. Third, the federal court’s exercise of personal jurisdiction must
 3 comport with due process.” *Pebble Beach*, 453 F.3d at 1159 (internal citations omitted). Here, the
 4 first two prongs are satisfied because (1) this lawsuit arises under the Lanham Act (*see* ECF No. 1
 5 ¶¶ 38-56) and (2) Defendant has not identified any state court of general jurisdiction to which it is
 6 subject to personal jurisdiction. Indeed, Defendant concedes in its Motion that the sole dispute is
 7 with respect to the third prong. (ECF No. 28 at 10 (“The question here is whether haling SGD into
 8 this forum comports with due process.”).)

9 With respect to the third prong, “[t]he due process analysis is identical to the one discussed
 10 above when the forum was California, except here the relevant forum is the entire United States.”
 11 *Pebble Beach*, 453 F.3d at 1159. As discussed above (*see supra* at 5-8), Defendant sells its
 12 infringing products to third parties that directly market, advertise, and sell to consumers in the
 13 United States. Because Defendant has developed and utilizes distribution channels that place its
 14 products in a stream of commerce that foreseeably—and, indeed, intentionally—culminates in the
 15 United States, it has developed sufficient “minimum contacts” with the United States such that
 16 jurisdiction “does not offend traditional notions of fair play and substantial justice.” *See AirWair*
 17 *Int’l*, 73 F. Supp. 3d at 1234 (“[W]here a defendant *knows*—as opposed to being able to foresee—
 18 that an intentional act will impact another state,” then “the ‘expressly aimed’ requirement is
 19 satisfied” for purposes of analyzing specific jurisdiction).

20 Moreover, Defendant has filed a federal trademark application to register its infringing
 21 ATHLECIA (and Design) trademark with the USPTO. (*See* ECF No. 1 ¶ 35.) Defendant claims
 22 without any evidentiary support that it “withdrew the application” and that it is “now abandoned.”
 23 (ECF No. 28 at 6, 10.)¹ However, even if Defendant’s statements are true and the trademark
 24 application is in fact abandoned, the application was pending at the time of the events underlying

25
 26 ¹ Defendant’s Motion to Dismiss cites to “KEG Decl., Ex. A” in support of its assertion that
 27 Defendant “withdrew the application, which now stands abandoned.” (ECF No. 28 at 6.) No
 28 evidence was filed which corresponds to this citation, and therefore there is no proof of any
 abandonment in the Motion.

1 this lawsuit and should be treated by this Court as valid, subsisting, and in full force and effect for
 2 purposes of evaluating personal jurisdiction over Defendant. *See Steel v. United States*, 813 F.2d
 3 1545, 1549 (9th Cir. 1987). A defendant cannot seek to avail itself of United States trademark
 4 protections with an infringing product and then escape liability by backpedaling.

5 Defendant asserts that “[t]he act of filing a trademark application however is not enough to
 6 find express aiming.” (ECF No. 28 at 10.) Defendant is wrong as a matter of law: courts in the
 7 Ninth Circuit have held that an “application with the USPTO filed by a non-U.S. defendant
 8 constitutes purposeful availment for purposes of establishing jurisdiction under Rule 4(k)(2).”
 9 *VMR Prods., LLC v. V2H ApS*, 13-CV-7719 (CBM)(JEM), 2014 WL 12591932, at *6 (C.D. Cal.
 10 Aug. 4, 2014) (finding that “jurisdiction under Rule 4(k)(2) is established” because the defendants
 11 “purposefully availed themselves of U.S. law by filing a trademark application” and because the
 12 plaintiff’s “claims arise from the [defendants’] use of their marks in the United States.”);
 13 *CytoSport, Inc. v. Cytogenix Sports Lab ’ys, SRL*, 10-CV-0700 (WBS)(KJM), 2010 WL 5418883,
 14 at *5 (E.D. Cal. Dec. 23, 2010) (finding personal jurisdiction under Rule 4(k)(2) and noting that
 15 “[b]y submitting trademark applications for the ‘Cyto’ products to the [USPTO], defendant
 16 purposefully availed itself of the privilege of doing business in the United States.”); *Monster*
 17 *Cable Prods., Inc. v. EuroFlex S.R.L.*, 642 F. Supp. 2d 1001, 1010 (N.D. Cal. 2009) (finding that
 18 “application to the PTO to gain trademark protection in the United States for its ‘MONSTER’
 19 mark constitutes a substantial contact.”).

20 Based on the foregoing, Defendant has purposely availed itself of the privilege of doing
 21 business in the United States, and the Court may exercise personal jurisdiction over Defendant
 22 pursuant to the federal long-arm statute.

23 **III. Plaintiff Has Stated a Claim for Trademark Infringement and Unfair Competition**

24 Defendant also has moved to dismiss for failure to state a claim under Federal Rule of
 25 Civil Procedure 12(b)(6). Defendant’s argument about the sufficiency of the pleading fares no
 26 better than its jurisdictional position. In support of its argument that the Complaint fails to state
 27 claim for relief, Defendant claims that “Plaintiff has not alleged facts to establish the statutorily
 28 required use by [Defendant] of the trademark in commerce.” (ECF No. 28 at 11.) Under the

1 Lanham Act, “a mark shall be deemed to be in use in commerce—(1) on goods when—(A) it is
 2 placed in any manner on the goods or their containers or the displays associated therewith or on
 3 the tags or labels affixed thereto, or if the nature of the goods makes such placement
 4 impracticable, then on documents associated with the goods or their sale, and (B) the goods are
 5 sold or transported in commerce.” 15 U.S.C. § 1127. Defendant asserts that the allegations
 6 contained within the complaint do “not satisfy the statutory ‘use in commerce’ requirement.”
 7 (ECF No. 28 at 11.)

8 Defendant’s argument is baseless and incorrect. In the Complaint, Plaintiff (1) provided
 9 images showing Defendant’s infringing ATHLECIA (and Design) mark used directly on various
 10 apparel products and packaging therefor (ECF No. 1 ¶ 32); (2) alleged that “Defendant’s products
 11 sold under the Infringing Marks can be purchased and shipped to California consumers and have
 12 in fact been purchased by agents of Plaintiff into this District” (*id.* ¶ 33); and (3) alleged that
 13 “Defendant intends to begin offering its goods and services under the Infringing Mark *directly* to
 14 consumers within the United States” (*id.* ¶ 34; emphasis added). The foregoing allegations
 15 establish “use in commerce” of the ATHLECIA (and Design) mark as the term is defined in the
 16 Lanham Act. Defendant’s arguments that “Plaintiff has not alleged that ATHLECIA apparel was
 17 purchased from SGD” or that Defendant “sell[s] or ship[s] ATHLECIA products into the U.S.” are
 18 not relevant to use in commerce. If a *prima facie* case for trademark infringement and unfair
 19 competition against a foreign defendant required pleading that the infringing products were
 20 purchased directly from the infringer and that the infringer sold its products directly into the
 21 United States, then a foreign defendant could avoid liability simply by offering its products for
 22 sale in the United States through a third-party licensee. The Lanham Act encompasses such
 23 conduct. *See* 15 U.S.C. § 1127 (definitions of “commerce” and “use in commerce” explicitly
 24 covers commerce between the United States and a foreign country); *see also In re Silenus Wines,*
 25 *Inc.*, 557 F.2d 806, 808-09 (C.C.P.A. 1977) (sales of products imported from abroad in the United
 26 States subject to Lanham Act).

27 Accordingly, Defendant’s argument that the Complaint should be dismissed for failure to
 28 state a claim because Plaintiff has failed to allege “use in commerce” is unfounded. Plaintiff has

1 sufficiently alleged that products bearing Defendant's ATHLECIA (and Design) trademark are
 2 being sold into the United States. Such allegations establish "use in commerce" and the Motion
 3 should therefore be denied to the extent it is based on Federal Rule of Civil Procedure 12(b)(6).

4 **IV. Plaintiff Has Stated a Claim for Unfair Competition Under California Law**

5 Defendant also argues in conclusory fashion that Plaintiff's claim for unfair competition
 6 under California state law should be dismissed for failure to state a claim because "[t]here is no
 7 allegation of SGD's use in California of the ATHLECIA trademark on goods." (ECF No. 28 at
 8 12.) Defendant's argument fails with respect to the California state law claim for the same reasons
 9 it fails with respect to Plaintiff's Lanham Act claims.

10 As noted in Defendant's Motion to Dismiss, the Ninth Circuit has consistently held that
 11 "state common law claims of unfair competition are 'substantially congruent' to claims made
 12 under the Lanham Act, and thus share the same analysis." *ThermoLife Int'l, LLC v. Compound*
 13 *Sols., Inc.*, 848 F. App'x 706, 709 (9th Cir. 2021). Because Plaintiff has successfully pleaded a
 14 claim for trademark infringement and unfair competition under the Lanham Act by including
 15 specific statements in the complaint (1) showing use of Defendant's infringing ATHLECIA (and
 16 Design) mark on clothing and apparel accessories and (2) alleging that sales of such products have
 17 occurred in California (ECF No. 1 ¶¶ 32-33), Plaintiff also has pleaded a claim for unfair
 18 competition under California law. *See ThermoLife Int'l*, 848 F. App'x at 709 ("Because
 19 ThermoLife has stated a false advertising claim under the Lanham Act, it has also stated a
 20 common law unfair competition claim.").

21 **V. The Court Should Permit Plaintiff to Conduct Jurisdictional Discovery**

22 If the Court refuses to exercise personal jurisdiction over Defendant pursuant to either
 23 California's long-arm statute or the federal long-arm statute, Plaintiff requests that the Court grant
 24 it the opportunity to conduct jurisdictional discovery. "A district court is vested with broad
 25 discretion to permit or deny [jurisdictional] discovery." *Laub v. U.S. Dep't of Interior*, 342 F.3d
 26 1080, 1093 (9th Cir. 2003). In this district, courts have held that "a plaintiff need not make out a
 27 prima facie case of personal jurisdiction before it can obtain jurisdictional discovery." *Calix*
 28 *Networks, Inc. v. Wi-Lan, Inc.*, 09-CV-6038 (CRB)(DMR), 2010 WL 3515759, at *4 (N.D. Cal.

1 Sept. 8, 2010); *see also eMag Sols., LLC v. Toda Kogyo Corp.*, 02-CV-1611 (PJH), 2006 WL
 2 3783548, at *2 (N.D. Cal. Dec. 21, 2006) (“It would . . . be counterintuitive to require a plaintiff,
 3 prior to conducting discovery, to meet the same burden that would be required to defeat a motion
 4 to dismiss.”). “Rather, a plaintiff must present a ‘colorable basis’ for jurisdiction, or ‘some
 5 evidence’ constituting a lesser showing than a *prima facie* case.” *Calix Networks*, 2010 WL
 6 3515759, at *4.

7 Here, Plaintiff has alleged specific facts showing that Defendant sells its infringing
 8 products to third parties that directly target and sell such products to consumers in the United
 9 States (including California). (*See* ECF No. 1 ¶¶ 32-33.) Moreover, Defendant has filed a
 10 trademark application wherein it declared under penalty of perjury that it has a bona fide intention
 11 to use the ATHLECIA (and Design) mark in connection with apparel and clothing accessories in
 12 United States commerce. (ECF No. 1 ¶ 35.) Nothing in the self-serving Hauge Declaration
 13 disputes, negates, or discredits any of the foregoing facts. Accordingly, Plaintiff has presented a
 14 “colorable basis” for establishing personal jurisdiction over Defendant. Indeed, jurisdictional
 15 discovery will allow Plaintiff to probe (1) the extent to which infringing goods bearing the
 16 ATHLECIA (and Design) mark have been sold to third parties that target the United States
 17 (including California); (2) the extent of sales of Defendant’s infringing products into the United
 18 States (including California) by third parties; and (3) Defendant’s “intention to use” the
 19 ATHLECIA (and Design) mark in the United States, including any business plans relating thereto
 20 and any established distribution channels. Due to the low evidentiary threshold for permitting
 21 jurisdictional discovery, this Court has granted such relief many times in similar cases. *See, e.g.*,
 22 *Genomics v. Song*, 21-CV-4507 (JST), 2022 WL 2204361, at *12 (N.D. Cal. Mar. 25, 2022)
 23 (Tigar, J.) (granting jurisdictional discovery); *Ross v. Abbott Vascular Inc.*, 19-CV-03794 (JST),
 24 2020 WL 4934487, at *8 (N.D. Cal. Apr. 6, 2020) (Tigar, J.) (granting jurisdictional discovery “to
 25 ascertain what, if anything, occurred in California.”); *LiveCareer, Ltd v. Su Jia Techs. Ltd.*, 14-
 26 CV-3336 (JST), 2014 WL 7187171, at *2 (N.D. Cal. Dec. 15, 2014) (Tigar, J.) (granting
 27 jurisdictional discovery where “further discovery . . . might well demonstrate facts sufficient to
 28 constitute a basis for jurisdiction.”).

1 Accordingly, Plaintiff requests that the Court grant its request for jurisdictional discovery,
 2 order the parties to meet and confer about the scope and duration thereof, and file a joint proposal
 3 for the Court's review and approval within fourteen days of the Court's order on this issue.

4 **CONCLUSION**

5 The Court may exercise personal jurisdiction over Defendant pursuant to either
 6 California's long-arm statute or the federal long-arm statute. Moreover, Defendant's arguments
 7 relating to Plaintiff's purported failure to state a claim under Rule 12(b)(6) fail because Plaintiff
 8 has alleged use in United States commerce of Defendant's infringing ATHLECIA (and Design)
 9 trademark. Accordingly, Plaintiff respectfully requests that the Court deny Defendant's Motion.
 10 However—if the Court finds that it cannot exercise personal jurisdiction over Defendant at this
 11 time—Plaintiff requests that the Court grant its request to conduct jurisdictional discovery.

12 Respectfully submitted,

13 DATED: December 2, 2022

14 CONRAD | METLITZKY | KANE LLP

15
 16 /s/ Mark R. Conrad
 17 MARK R. CONRAD
 18 Attorneys for Plaintiff Athleta, Inc.

19 DATED: December 2, 2022

20 FROSS ZELNICK LEHRMAN & ZISSU, P.C.

21
 22 /s/ James D. Weinberger
 23 JAMES D. WEINBERGER
 24 Attorneys for Plaintiff Athleta, Inc.

ATTESTATION

Pursuant to Civil L.R. 5-1(h)(3), I hereby attest that each of the other signatories have concurred in the filing of this document.

/s/ Mark R. Conrad
MARK R. CONRAD